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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/818,483	03/27/2001	Ephraim Brian Finkelstein	HGT-201	9569

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EXAMINER
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HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 04/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/818,483	<b>Applicant(s)</b> FINKELSTEIN ET AL.	
	<b>Examiner</b> Timothy M. Harbeck	<b>Art Unit</b> 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
  - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 27 March 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |                                                                                                                                                |                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                                                    | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. ____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                                           | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)            |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>5/18/2001</u> . | 6) <input type="checkbox"/> Other: ____                                                |

V ✓

### ***Specification***

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

Applicant uses legal phraseology, specifically the use of the word "comprising" in lines 1 and 2; "comprising a plurality of trading terminals, each having a user interface comprising a display and keyboard." Correction of the abstract is recommended.

Applicant is advised to carefully review the entire specification for further needed corrections.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-5 and 7-19, and 21 are rejected under 35 U.S.C. 102(e) as being anticipated by Silverman (U.S. Patent Number 5,924,082)

1. **Re claim 1:** Silverman discloses a negotiated matching system that “enables users to trade financial instruments and other types of instruments.” (column 3, lines 52-53) Silverman’s system comprises

- (a) a plurality of remote terminals (column 5, lines 36-37) having a user interface comprising a display (column 4, line 16) and a keyboard (column 12, line 53) and
- (b) a central processor (matching computer) for establishing communications between said trading terminals (column 5, lines 35-48).

wherein each of said trading terminals presents a hierarchal list (column 10, line 37-40) of trading options (e.g. repurchase agreements) and wherein a user at a trading terminal can select one of said trading options and communicate directly with a potential counterparty (column 4, lines 55-65).

**Re claim 2:** Silverman further discloses a system wherein a user remains anonymous until he communicates with a potential counterparty (column 4, lines 10-12).

**Re claim 3-4:** Silverman further discloses a system wherein the hierarchal list is filtered according to a user-defined criteria (column 4, lines 52-55). The examiner interprets sorting and filtering to be interchangeable functions, as they are not differentiated in the disclosure.

**Re claim 5:** Silverman further discloses a system wherein the central processor (matching computer) transmits information defining counterparty trading tickets upon successful conclusion of negotiation between counterparties (column 7, lines 64-65)

**Re claim 7:** Silverman further discloses a negotiated exchange for facilitating transactions between potential counterparties and enabling communication between the parties to negotiate the terms of the transaction, comprising:

- A central computer (matching computer);

- A plurality of remote terminals (column 5, lines 36-37)

- corresponding to a plurality of users, said remote terminals enabling said users to enter transaction data into the system; and

- A communications network for transmitting negotiating messages between pairs of said remote terminals in response to control signals from a respective one of the remote terminals (column 5, 35-48);

- Wherein a party associated with a transaction is anonymous until communication is established through said communications network, for transmitting negotiating messages (column 4, lines 10-12).

**Re claim 8:** Silverman further discloses a negotiated exchange wherein Said transaction data include ranking data whereby each user ranks

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Potential counterparties based on objective criteria, said ranking data indicative of the extent to which the user wishes to deal with each potential counter party (column 14, lines 11-15)

**Re claim 9:** Silverman further discloses a negotiated exchange wherein negotiating messages are transmitted between said remote terminals comprise messages having a free style format (column 14, lines 16-19)

**Re claim 10:** Silverman further discloses a negotiated exchange wherein said remote terminals comprise messages having a predetermined format (column 14, lines 20-23)

**Re claim 11:** Silverman further discloses a negotiated exchange wherein said transaction data include ranking data whereby each user ranks potential counterparties based on subjective criteria, said ranking data indicative of the extent to which the user wishes to deal with each potential counter party (column 14, lines 24-28).

**Re claim 12:** Silverman further discloses a negotiated exchange wherein said negotiating messages transmitted between said remote terminals comprise free style electronic dialogue which is displayed on each user's remote terminal (column 14, lines 29-32)

**Re claim 13:** Silverman further discloses a negotiated exchange system wherein said electronic dialogue is unstructured, thereby permitting the parties to negotiate all terms of the transaction (column 14, lines 38-40)

**Re claim 14:** Silverman further discloses a transaction (e.g. repurchase agreement) method comprising a plurality of user terminals, each displaying a list of offers for a type of transaction, receiving from a user terminal a user entry portion for defining potential repurchase agreement terms, and communicating with a potential counterparty, based on an identification of a respective offer, through a negotiation communications interface (column 15, lines 22-35)

**Re claim 15-18:** Silverman further comprises a method wherein a record is communicated between at least two user terminals comprising particulars of a proposed transaction. Silverman calls these particulars "variable parameters," (column 17, lines 15-36) which, for a repurchase agreement would include an amount, a rate, a term and an identification of collateral.

**Re claim 19:** Silverman further comprises a method wherein the record further comprises a free form text field (column 18, lines 5-9).

**Re claim 21:** Silverman further comprises a method wherein a proposed modification of the particulars is extracted from the free form text field (column 12, lines 6-13)

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claim 6** is rejected under 35 U.S.C. 103(a) as being unpatentable over

Silverman in view of Kovlak (Management Accounting. Montvale: May 1986 Vol. 67, Iss.11; pg. 52). Silverman discloses the claimed system supra except for the explicit disclosure wherein the plurality of trading terminals are segregated between dealers and investors. Kovlak teaches that in a repurchase agreement investors and dealers are the two parties involved in this type of transaction. It would therefore have been obvious to someone skilled in the ordinary art for a transaction involving a repurchase agreement, that interaction between a dealer and investor be segregated. Since this is an automated transaction system, the trading terminals must then be segregated between the dealers and investors.

**Claim 20** is rejected under 35 U.S.C. 103(a) as being unpatentable over

Silverman in view of Chou (U.S. Patent Number 6,035,289). Silverman discloses the claimed system supra except wherein a bid record is compared with an ask record to selectively indicate a difference therebetween. Chou teaches an electronic trading system wherein a method for a bid-ask matching function is disclosed that compares bid records with ask records for trading of financial instruments (column 2, line 39 – column 3, line 16). It would have been obvious for someone skilled in the ordinary art to apply the teachings of Chou to those of Silverman to form the basis for a method wherein the bid record and ask record



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of a repurchase agreement would be compared to discover any difference therebetween, and further negotiations could occur as needed.


### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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HYUNG SOUGH  
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